

Senate Bill No. 1318

CHAPTER 115

An act to amend Section 22905 of, and to add Section 22909 to, the Education Code, relating to state teachers' retirement, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 3, 2002. Filed with
Secretary of State July 5, 2002.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1318, Karnette. State teachers' retirement: member contributions.

Existing law requires members of the Defined Benefit Program of the State Teachers' Retirement Plan to contribute to the retirement fund 8% of the member's creditable compensation, with those contributions being credited to the individual account of the member, as specified.

This bill would authorize the member's employer to pay all or a portion of those contributions for the member, subject to specified conditions.

The bill would declare that it is to take effect immediately as an urgency statute.

The people of the State of California do enact as follows:

SECTION 1. Section 22905 of the Education Code, as amended by Section 30 of Chapter 1021 of the Statutes of 2000, is amended to read:

22905. (a) Contributions made by a member and member contributions made by an employer pursuant to Section 22903, 22904, or 22909 shall be credited by the board to the individual account of the member.

(b) This section shall become inoperative on July 1, 2002, if the revenue limit cost-of-living adjustment computed by the Superintendent of Public Instruction for the 2001–02 fiscal year is equal to or greater than 3.5 percent. Otherwise this section shall become inoperative on July 1, 2003. As of January 1, 2004, this section is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2004, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 2. Section 22905 of the Education Code, as added by Section 31 of Chapter 1021 of the Statutes of 2000, is amended to read:

22905. (a) Member contributions pursuant to Section 22901, employer contributions pursuant to Section 22903 or 22904, and member contributions made by an employer pursuant to Section 22909 shall be credited to the member's individual account under the Defined Benefit Program or the Defined Benefit Supplement Program, whichever is applicable pursuant to the provisions of this part.

(b) Member and employer contributions on a member's compensation under the following circumstances shall be credited to the member's Defined Benefit Supplement account:

(1) Compensation for creditable service that exceeds one year in a school year.

(2) Compensation that is consistent with subdivision (b) of Section 22119.2.

(3) Compensation that is payable for a specified number of times as limited by law, a collective bargaining agreement, or an employment agreement.

(c) A member shall not make voluntary pretax or posttax contributions under the Defined Benefit Supplement Program, except as provided in subdivision (d), nor shall a member redeposit amounts previously distributed based on the balance in the member's Defined Benefit Supplement account.

(d) Member and employer contributions under the Defined Benefit Supplement Program shall be credited to the accounts of members as of June 30 each year following a determination by the system under the provisions of this part that those contributions should be credited to the Defined Benefit Supplement Program. Contributions to a member's Defined Benefit Supplement account shall be identified separately from the member's contributions credited under the Defined Benefit Program.

(e) The provisions of this section shall become operative on July 1, 2002, if the revenue limit cost-of-living adjustment computed by the Superintendent of Public Instruction for the 2001–02 fiscal year is equal to or greater than 3.5 percent. Otherwise this section shall become operative on July 1, 2003.

SEC. 3. Section 22909 is added to the Education Code, to read:

22909. (a) Notwithstanding Sections 22901, 22956, and 23000, an employer may pay all or a portion of the contributions required to be paid by a member of the Defined Benefit Program. Where the member is included in a group or class of employment, the payment shall be for all members in the group or class of employment. The payments shall be credited to member accounts pursuant to Section 22905. The employer shall report contributions to the system as if the member and the employer were paying the contributions in accordance with this part, notwithstanding this section. For purposes of this chapter, the member's



contributions shall be considered to be the percentage of the member's creditable compensation that would have been paid pursuant to this chapter, notwithstanding this section. Notwithstanding Section 22119.2, contributions paid pursuant to this section may not be included in creditable compensation.

(b) Nothing in this section shall be construed to limit the authority of an employer to periodically increase, reduce, or eliminate the payment by the employer of all or a portion of the contributions required to be paid by members of the Defined Benefit Program, as authorized by this section.

(c) This section shall only apply to an employer that is picking up members' contributions pursuant to Section 22903 or 22904.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for the provisions of this act to be applicable to employment contracts negotiated during the current year, it is necessary that this act take effect immediately.

